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MINNESOTA SPRING WHEAT PRODUCTION UNCHANGED FROM 2006

Minnesota's **SPRING WHEAT** production is estimated at 77.6 million bushels, unchanged from last year. Spring wheat yield, at 47.0 bushels per acre, is also unchanged from 2006. Spring wheat acres harvested for grain is 1.65 million acres.

WINTER WHEAT production, at 2.88 million bushels, is up 3 percent from last year. Acres harvested for grain in 2007 is 60,000 acres, up 33 percent from last year. Yield, at 48.0 bushels per acre, is down 14 bushels from 2006.

OAT production is estimated at 10.8 million bushels, down 4 percent from last year. Acres harvested for grain is 180,000 acres, down 10 percent from 2006. Yield, at 60.0 bushels per acre, is up 4 bushels from last year.

BARLEY production of 6.16 million bushels is up 14 percent from last year. Barley harvested is 110,000 acres, up 22 percent from last year. Yield, at 56.0 bushels per acre, is down 4 bushels from 2006.

MINNESOTA ON-FARM CORN STOCKS DOWN FROM LAST YEAR

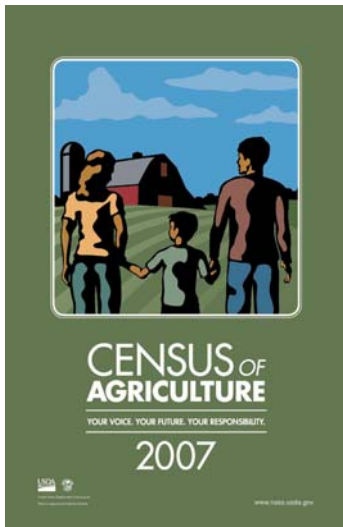
OLD CROP CORN stocks held in all positions on September 1, 2007, totaled 133 million bushels, 52 percent below a year earlier. On-farm stocks accounted for 44 percent of the total, or 58.0 million bushels.

OLD CROP SOYBEAN stocks in all positions totaled 68.9 million bushels, up 7 percent from September 1, 2006. On-farm stocks accounted for 39 percent of the total, or 27.0 million bushels.

ALL WHEAT stocks held in all positions totaled 77.3 million bushels, 13 percent below a year ago. On-farm stocks accounted for 61 percent of the total, or 47.0 million bushels.

BARLEY stocks were down 34 percent from a year ago. Total holdings in all positions were 11.3 million bushels, with 44 percent held on farms.

OAT stocks totaled 17.8 million bushels, 14 percent below a year ago. On-farm stocks accounted for 38 percent of the total.



Watch for your
Census Questionnaire
in late December 2007.

MINNESOTA & U.S. SEPTEMBER 1 HARVESTED ACRES, YIELD, AND PRODUCTION

COMMODITY	2006 HARVESTED ACRES (000)	2007 HARVESTED ACRES (000)	2006 YIELD	2007 YIELD	2006 PRODUCTION (000)	2007 PRODUCTION (000)
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MINNESOTA

SPRING WHEAT (Bu)	1,650	1,650	47.0	47.0	77,550	77,550
WINTER WHEAT (Bu)	45	60	62.0	48.0	2,790	2,880
BARLEY (Bu)	90	110	60.0	56.0	5,400	6,160
OATS (Bu)	200	180	56.0	60.0	11,200	10,800

UNITED STATES

SPRING WHEAT (Bu)	13,878	12,947	33.2	37.0	460,480	479,047
WINTER WHEAT (Bu)	31,117	35,952	41.7	42.2	1,298,081	1,515,989
BARLEY (Bu)	2,951	3,508	61.1	60.4	180,165	211,825
OATS (Bu)	1,566	1,505	59.8	60.9	93,638	91,599

MINNESOTA & U.S. SEPTEMBER 1 GRAIN STOCKS

COMMODITY	ON FARM		OFF FARM		TOTAL ALL POSTIONS		PERCENT OF PREVIOUS YEAR
	2006	2007	2006	2007	2006	2007	

**-1,000 BUSHELLS-
MINNESOTA**

CORN	145,000	58,000	130,284	75,179	275,284	133,179	48
SOYBEANS	36,000	27,000	28,497	41,917	64,497	68,917	107
ALL WHEAT	57,000	47,000	31,640	30,301	88,640	77,301	87
BARLEY	4,700	5,000	12,418	6,255	17,118	11,255	66
OATS	7,800	6,700	12,886	11,140	20,686	17,840	86

UNITED STATES

CORN	749,500	460,100	1,217,661	843,660	1,967,161	1,303,760	66
SOYBEANS	176,300	143,000	273,026	429,778	449,326	572,778	127
ALL WHEAT	572,020	495,000	1,178,524	1,221,731	1,750,544	1,716,731	98
BARLEY	112,850	105,600	99,939	83,090	212,789	188,690	89
OATS	60,800	53,650	39,284	34,672	100,084	88,322	88

MINNESOTA HOG NUMBERS UP 1 PERCENT FROM JUNE

Minnesota hog producers had an inventory of 7.0 million hogs and pigs on September 1, 2007, up 1 percent from last year and also up 1 percent from the June 1, 2007, figure. This is a new record high inventory for any quarter in Minnesota. Breeding hogs totaled 610 thousand head, up 3 percent from a year earlier, and market hogs and pigs, at 6.39 million head, were up 1 percent from a year ago.

Market hogs in the under 60 pound weight group were up 5 percent from last year. The 60-119 pound weight group was down 2 percent. Hog numbers in the 120-179 pound group were down 3 percent from last year, while numbers in the 180+ pound group were up 3 percent from a year ago.

Minnesota's June - August 2007 pig crop, at 2.67 million head, was up 3 percent from 2006, and up 1 percent from the March - May 2007 pig crop. The 285,000 sows that farrowed averaged 9.35 pigs per litter, a record high litter rate for any quarter.

Hog producers in Minnesota intend to farrow 285,000 sows during the September - November 2007 quarter. If realized, this would be up 2 percent from the same period in 2006. Producers intend to farrow 285,000 sows during the December 2007 - February 2008 quarter. If realized, this would be up 4 percent from the same period the previous year.

FARROWING INTENTIONS

SOWS TO FARROW				
State	Sept 2007- Nov 2007	% of Prev. Yr.	Dec 2007- Feb 2008	% of Prev. Yr.
	<u>1,000</u>	<u>Pct.</u>	<u>1,000</u>	<u>Pct.</u>
AR	42	111	39	100
CO	84	100	84	101
IL	235	109	225	107
IN	140	100	140	100
IA	450	94	445	98
KS	93	107	91	103
MI	53	106	54	110
MN	285	102	285	104
MO	185	106	180	100
NE	180	97	185	103
NC	540	98	540	100
OH	80	96	82	98
OK	180	97	180	95
PA	46	107	44	100
SD	80	113	78	116
TX	49	109	51	113
WI	24	83	25	93
Other States 1/	218	104	215	103
US	2,964	101	2,943	101

1/ Individual State estimates not available for the 33 other States.

SEPTEMBER 1, 2007, HOG INVENTORIES and JUNE - AUGUST 2007 FARROWINGS

State	TOTAL		BREEDING		MARKET HOGS & PIGS 1/						SOWS FARROWED June - August 20067			
	Number	2007 As % of 2006	Number	2007 As % of 2006	Under 60 Pounds	60-119 Pounds	120- 179 Pounds	180+ Pounds	TOTAL		Number	2007 As % of 2006	Pigs Per Litter	Pig Crop 2/
									Number	2007 As % of 2006				
	<u>1,000</u>	<u>Pct.</u>	<u>1,000</u>	<u>Pct.</u>	<u>-----1,000-----</u>				<u>1,000</u>	<u>Pct.</u>	<u>1,000</u>	<u>Pct.</u>	<u>Num.</u>	<u>1,000</u>
AR	280	100	85	100	140	20	15	20	195	100	43	108	9.60	413
CO	850	100	150	97	365	130	65	140	700	101	79	96	9.00	711
IL	4,000	92	450	102	1,310	890	740	610	3,550	91	230	115	9.00	2,070
IN	3,400	103	310	94	1,070	820	620	580	3,090	104	145	104	9.00	1,305
IA	17,800	105	1,070	99	5,140	4,660	3,830	3,100	16,730	105	450	99	9.25	4,163
KS	1,940	101	170	103	550	370	365	485	1,770	101	89	105	8.90	792
MI	1,060	108	100	100	335	230	215	180	960	109	53	110	9.10	482
MN	7,000	101	610	103	2,560	1,580	1,260	990	6,390	101	285	102	9.35	2,665
MO	3,050	111	380	107	1,250	530	510	380	2,670	111	190	112	9.15	1,739
NE	3,200	105	365	104	1,050	770	580	435	2,835	105	185	106	9.30	1,721
NC	10,100	104	1,030	102	3,550	2,210	1,760	1,550	9,070	104	550	98	9.05	4,978
OH	1,700	102	170	100	605	375	330	220	1,530	102	82	98	9.30	763
OK	2,410	101	360	100	960	320	250	520	2,050	101	190	100	9.30	1,767
PA	1,140	98	100	95	320	305	235	180	1,040	99	44	98	9.50	418
SD	1,330	92	155	100	400	280	260	235	1,175	91	78	101	9.50	741
TX	1,080	109	100	100	340	215	200	225	980	110	52	108	8.70	452
WI	410	95	50	91	140	105	60	55	360	96	25	96	8.85	221
Other Sts 3/	3,898	104	490	103	1,233	804	720	651	3,408	104	216	104	9.48	2,051
US	64,648	103	6,145	101	21,318	14,614	12,015	10,556	58,503	103	2,986	103	9.19	27,452

1/ Weight groups may not add due to rounding.

2/ Number of pigs born June-August that were on hand September 1, or had been sold.

3/ Other State estimates include 33 remaining States.

REACTION TO SEPTEMBER 28, 2007, GRAIN STOCKS REPORT

The release of the grain stocks report on September 28, 2007, indicated that smaller stocks are in store for corn and wheat, with soybean stocks the largest on record. The report triggers a sell-off on the soybean market tied to the larger than expected quarterly stocks, combined with commodity fund selling. The trade expected smaller stocks for corn based on demand for ethanol and exports. The importance of grain stocks estimates is that they reveal the pace of demand and probable carryout at the end of the year. Price forecasts have been based on stocks/use ratios. Recall that the soybean market is now more focused on world than U.S. production. The University of Illinois indicates that South American plantings of soybeans are projected to be up from 4 - 6%. This will not make up for the 18% drop in supply from the U.S. The U.S. has less than 50% of the world's supply of soybeans for export. World Stocks-to-Use ratios are becoming more significant as opposed to U.S. stocks/use.

The corn stocks reported as of September 1, 2007, totaled 1.3 billion bu., down 34% from last year. Of this total, 460 million bu. were stored on farms, with 844 million bushels in commercial storage. These totals were down 39% and 31% from last year, respectively. The June to August disappearance was 2.23 billion bushels, down from 2.39 billion bu. last year. Higher prices had some rationing effect - about 4% reduction in demand. This projects a use of over 12.2 billion bushels. The stocks-to-use ratio is about 13.1%, which implies prices in the low \$3 range. The normal season range is \$.45 per bushel, so the high prices will be in the range of \$3.50 to \$3.70 per bushel. Look for pricing opportunities in this range. Basis changes could signal lower prices as larger supplies move into storage. Find ways to protect or contract a narrow basis.

Douglas Hartwig
Director

Soybean stocks were reported at 573 million bushel, up 27% from last year. This is the largest September stocks number ever reported. Stocks may well be the correcting factor - probably through basis levels (now over 1.13 per bushel). The world outlook for soybeans, however, is brighter. The 18% drop in soybeans does not look like it will be filled by new South American production. Chinese demand for soybeans is growing as internal taxes on imports have been reduced. Export commitments for U.S. soybeans from China are about 50 million bushels higher this year. Of the total stocks, about 143 million are stored on farm, with 430 million bushels stored off-farm. On-farm stocks are down 19%, whereas commercially stored soybeans are up 57% from last year. The disappearance of soybeans from the June - August period was 519 million bushels, down 4% from last year. The stocks-to-use ratio is 7.3%, which signals higher prices from tighter supplies. Prices will be in the near \$10 bracket into the new year.

Wheat stocks as of September 1, 2007, totaled 1.72 billion bushels, down 2% from one year ago. On-farm stocks were reported at 495 million bushels, down 13% from last year, with commercial storage of wheat being 1.22 billion bushels, up 4% from last year. Disappearance from June to August was reported at 806 million bushels, up 27% from last year. Again, the failure of wheat harvests in Australia and Europe is signaling tighter supplies and higher prices. Oats and barley stocks were also reported to be lower.

*Ward E. Nefsted, Associate Professor & Extension Economist,
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AUGUST EGG OUTPUT DOWN 2 PERCENT IN STATE

Minnesota layers produced 235 million eggs during August 2007, versus 239 million in August 2006, a decrease of 2 percent. Laying flocks in the U.S. produced 7.57 billion eggs in August, a 1 percent decrease from a year ago.

Dan Lofthus
Deputy Director